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Approved For Release 2002/09/03 : CIA-RDP63-00313A000500110106-8

NRO REVIEW COMPLETED

[REDACTED]
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27 SEP 1963

MEMORANDUM FOR: Deputy Director for Science and Technology
SUBJECT : FY 1965 Budget

1. We have taken a rather hasty review of the papers which you gave me last evening and herewith submit our comments regarding the various reductions.

2. To summarize briefly, OXCART does not look too bad; IDEALIST could use more money for the integrated electronics package, and of course there is no provision for procurement of the bigger U-2L; [REDACTED] Advanced Aircraft reductions virtually stalemate any endeavor we may have to get those programs going.

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3. We assume you can address yourself to the cut-in Synchronous Satellite budget request.

4. Although we haven't had the time to review the entire NRO budget in depth, a quick and possibly erroneous glance reveals that the [REDACTED] program of [REDACTED] aircraft is funded in full for completion in FY 65, including commitments, although delivery of [REDACTED] operational aircraft will not commence until FY 66. We don't propose that you make an issue of this at this time, since we do not have all the facts, but it might be interesting to probe Dr. McMillan on this point at your next meeting.

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5. We apologize for a possible disoriented approach to this paper, but not privy to the background that went into the reductions makes our defense analysis rather limited.

JAMES A. CUNNINGHAM, JR.
Deputy Assistant Director
(Special Activities)

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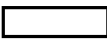
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	<u>Submitted</u>	<u>Allowed</u>	<u>Difference</u>
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A. AIR FRAMES

Spare parts \$
 ECO & ECP
 Test A/C and Tech
 Services
 Maintenance & Base
 Support

TOTAL AIR FRAMES

It is our belief that the [] requested for ECO and ECP support is valid since we will be undertaking sustained flights at mach 3.2 during Fiscal Year 1965, and the level of engineering changes dictated by our exploration of this realm of supersonic flight should support our submission. The cut of [] in Flight Test to support OXCART aircraft numbers 121 and 122 presupposes no major set-backs in Fiscal 1964 testing, in which Program B can live with this slash.

CAGE

B. ENGINES

Engine R&D

 Engine Overhaul,
 Maintenance, and
 Spares

TOTAL ENGINES

The [] is the OXCART portion of an across the board [] cut in []. The [] sub-mission is our share of development cost of the 150-hour engine and was based on Pratt and Whitney's past experience in engine development programs that the second year (65) cost figure will be similar to that of the qualification year (64). We do not feel we are in a position to rebut the [] cut at this time but must rely on the contractor's experience to back up our submission.

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The [] allowed by DNRO will allow us to purchase only one camera, and will allow only a minimal amount for maintenance and parts.

SubmittedAllowedDifferenceD. CONSTRUCTION

[]

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Program B can accept this cut of [] provided the [] flight test program will not be []

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E. AIRBORNE ELECTRONICS

[]

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The Director, Program B, submission of [] must be considered a solid procurement figure and the cut of [] cannot be accepted.

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F. OTHER & PROCESSOR

[]

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The [] submission has been raised to [] by additional memorandum to the DNRO/Comptroller on 20 September. This additional [] represents maintenance and operations cost of the [] on the [] shuttle run. The [] cut in the [] above must be applied against the [] Program B submission for Sub-Systems R & D, which we consider to be a valid figure. The submission is based on our experience in Fiscal 1964, where we have already found it necessary to expend [] to improve the [] capability.

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II. IDEALIST

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The original submission of [] included [] for the follow-on U-2L aircraft. This was strictly a figure submitted to alert them to the possibility of purchase of the U-2L and, therefore, a reduction by this amount is acceptable until a decision is made to buy U-2L aircraft. The remaining [] reduction is approximately one-half of that amount made for the follow-on U-2 electronics package (firm contractor costs for each piece of equipment is [] []). If an additional [] is subtracted from this [] for the politically unsettled issue of the System 10, we are in effect left with [] for procurement of the electronics package, which is presently under development, thus we would have the capability of equipping less than one-half of our aircraft.

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III. EKC

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Of the [] requested, [] was for procurement of hardware, such as, processors, printers, filters, etc. developed under the [] allotted for R & D. We still feel that [] will be needed for R & D work, leaving us [] for actual procurement of developed equipment. It would appear that this would not be adequate under such an R & D program.

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IV. PHOTOGRAPHIC MATERIAL & PROCESSING

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Of the [] submitted, [] was included for an anticipated increase in CORONA J launches/processing. If [] increases its processing over presently established quantities, the [] should be sufficient to meet our demands. The question which we must then face is whether or not [] can replace Eastman Kodak in the processing of the original.

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V.



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VI. The Advanced Aircraft budget request of [] was reduced to []. This amount will achieve little in furthering the exploration of an advanced aircraft system with the two competitive contractors we are now considering. It should be recalled that approximately [] was expended between Lockheed and Convair in studies, design, and tests before we selected the OXCART A-12. If the feasibility studies of FY 64 are at all fruitful, at least [] can be expended in FY 65. Similar to the Covert Satellite [] in commitments for long lead time items can be deferred until FY 66.

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